

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY MAY 2, 2007

AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1489

**Introduced by Assembly Members Huffman and Wolk
(Coauthor: Assembly Member Laird)**

February 23, 2007

An act to add Sections 75002.7, 75004.5, 75025.2, ~~75025.3~~, 75026.3, 75026.5, 75041.1, 75041.2, 75051.2, and 75070.7 to the Public Resources Code, relating to resources, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1489, as amended, Huffman. Resource bond funds.

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (initiative bond act) authorizes the issuance of bonds in the amount of \$5,388,000,000. The Disaster Preparedness and Flood Prevention Bond Act of 2006 authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing a disaster preparedness and flood prevention program.

This bill would declare legislative intent to establish principles to guide the implementation of the initiative bond act. The bill would require the State Department of Public Health to establish a program to implement a provision of the initiative bond act making funds available for projects to prevent or reduce contamination of groundwater that serves as a source of drinking water, ~~and would create the~~

~~Groundwater Protection Fund, a continuously appropriated fund, for this purpose.~~ The bill would require applicants for funding for projects that assist local public agencies to meet the long-term water needs of the state to identify the manner in which the proposed project will contribute to meeting the performance standards included in the applicable integrated regional water management plan or its functional equivalent, as defined. Certain planning and feasibility studies financed by the initiative bond act would be required to include an analysis of energy and greenhouse gas emission impacts. The bill would require the Department of Water Resources to develop and conduct a study of groundwater resources that meets certain requirements and is consistent with an existing provision of the initiative bond act. The bill would define administrative costs for the purposes of the initiative bond act. The bill would require the Secretary of the Resources Agency to prepare and submit to the Legislature an annual report with regard to the expenditure of funds pursuant to the initiative bond act.

Vote: majority. Appropriation: ~~yes~~*no*. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature, by enacting this
- 2 act, to establish standards and guidance for the implementation of
- 3 the Safe Drinking Water, Water Quality and Supply, Flood Control,
- 4 River and Coastal Protection Bond Act of 2006 and to provide for
- 5 coordination between programs in that law and related programs.
- 6 SEC. 2. Section 75002.7 is added to the Public Resources Code,
- 7 to read:
- 8 75002.7. It is the intent of the Legislature that the following
- 9 principles guide the implementation of this division:
- 10 (a) Water supply, flood control, water quality, stormwater, and
- 11 ecosystem restoration projects should be designed and implemented
- 12 in an integrated manner to achieve increased public benefits and
- 13 to increase efficiency of bond expenditures.
- 14 (b) Projects should be designed and selected to reduce
- 15 greenhouse gas emissions to the maximum extent feasible.
- 16 (c) Projects should be designed and selected to improve
- 17 adaptability to predicted climate change impacts.

(d) Programs and projects should be designed and implemented to provide tangible benefits to disadvantaged communities whenever possible.

SEC. 3. Section 75004.5 is added to the Public Resources Code, to read:

75004.5. The secretary shall prepare and submit to the Legislature an annual report on the expenditure of funds pursuant to this division. The report shall include information required under Section 75078 and an identification of expenditures and funds remaining for each program funded by this division.

SEC. 4. Section 75025.2 is added to the Public Resources Code, to read:

75025.2. The State Department of Public Health, in consultation with the state board, shall establish a program to implement Section 75025 that includes all of the following components:

(a) Grants to regional water quality control boards to do all of the following:

(1) Identify sources of contamination of groundwater that is used as a primary source of drinking water.

(2) Develop a plan consistent with Section 13242 of the Water Code that includes actions necessary to achieve drinking water quality objectives related to groundwater.

(3) Provide information to the State Department of Public Health to identify priorities for funding of groundwater grants.

(b) Establishment of a grant program to local public agencies for projects to develop and implement groundwater protection projects needed to protect sources of drinking water. The State Department of Public Health shall establish guidelines that establish all of the following:

(1) Eligibility requirements and prioritization of projects for funding.

(2) Requirements for repayment of grant funds in the event of cost recovery from parties responsible for the groundwater contamination.

(3) Requirements for recipients of grants to make reasonable efforts to recover costs from parties responsible for groundwater contamination.

(c) Not more than 10 percent of the funds provided in Section 75025 shall be expended for the purposes of subdivision (a).

1 ~~SEC. 5. Section 75025.3 is added to the Public Resources Code,~~
2 ~~to read:~~

3 ~~75025.3. The Groundwater Protection Fund is hereby~~
4 ~~established in the State Treasury, and notwithstanding Section~~
5 ~~13340 of the Government Code, all moneys in the fund are~~
6 ~~continuously appropriated without regard to fiscal years to the~~
7 ~~State Department of Public Health for the purposes of Section~~
8 ~~75025.2. Funds appropriated by the Legislature from the funds~~
9 ~~made available by Section 75025 may be deposited in the~~
10 ~~Groundwater Protection Fund. Any cost recovery from parties~~
11 ~~responsible for groundwater contamination made pursuant to~~
12 ~~paragraph (2) of subdivision (b) of Section 75025.2 shall be~~
13 ~~deposited in the Groundwater Protection Fund.~~

14 ~~SEC. 6:~~

15 ~~SEC. 5. Section 75026.3 is added to the Public Resources Code,~~
16 ~~to read:~~

17 ~~75026.3. (a) The department shall provide technical assistance~~
18 ~~and grants, consistent with subdivision (c) of Section 75026, to~~
19 ~~enable broad and diverse participation in integrated regional water~~
20 ~~management plan development and refinement in each region. The~~
21 ~~department shall develop guidelines for technical assistance and~~
22 ~~participation grants.~~

23 ~~(b) Applicants for funding pursuant to Section 75026 shall~~
24 ~~identify the manner in which the proposed project will contribute~~
25 ~~to meeting the performance standards included in the adopted~~
26 ~~integrated water management plan or its functional equivalent.~~

27 ~~SEC. 7:~~

28 ~~SEC. 6. Section 75026.5 is added to the Public Resources Code,~~
29 ~~to read:~~

30 ~~75026.5. In addition to the criteria established in subdivision~~
31 ~~(b) of Section 75026, the department shall give preference to~~
32 ~~proposals that implement plans that meet any of the following~~
33 ~~criteria:~~

34 ~~(a) The plan is used to guide local project funding by the~~
35 ~~participating agencies.~~

36 ~~(b) The plan considers the impacts of climate change in project~~
37 ~~design and selection.~~

38 ~~(c) The plan identifies and addresses the supply of safe drinking~~
39 ~~water to all communities within the region.~~

1 (d) The plan identifies and addresses all major water-related
2 public health issues within the region.

3 (e) The plan is designed to maximize public benefits through
4 integrated, multibenefit management approaches.

5 (f) The plan is designed to reduce reliance on imported water.

6 (g) The plan incorporates objectives from relevant basin plans
7 and strategies to meet all applicable water quality standards.

8 (h) The plan is designed to provide a clear ecosystem benefit
9 related to aquatic and riparian resources within the region.

10 ~~SEC. 8.~~

11 *SEC. 7.* Section 75041.1 is added to the Public Resources Code,
12 to read:

13 75041.1. (a) The Legislature hereby finds and declares all of
14 the following:

15 (1) Groundwater and surface water are components of the
16 hydrologic cycle, and need to be managed as a single resource to
17 ensure sustainability.

18 (2) Many groundwater basins are in conditions of overdraft and
19 are poorly managed.

20 (3) Mismanagement of groundwater basins has resulted in
21 impacts to surface streams and associated ecosystems.

22 (4) Continued mismanagement of groundwater will result in
23 additional negative impacts to California's natural resources.

24 (b) Consistent with the provisions of Section 75041, the
25 department shall develop and conduct a study of groundwater
26 resources that does all of the following:

27 (1) Identifies those major groundwater basins that are in critical
28 overdraft condition.

29 (2) Gathers and analyzes all available monitoring data for basins
30 identified pursuant to paragraph (1).

31 (3) Develops monitoring programs to supplement existing data
32 as necessary.

33 (4) Assesses the potential impacts to surface water as a result
34 of groundwater overdraft.

35 (5) Develops, in conjunction with local water managers, a
36 sustainable management plan for each groundwater basin where
37 overdraft of groundwater may have a significant impact on surface
38 water or natural resources.

1 ~~SEC. 9.~~

2 *SEC. 8.* Section 75041.2 is added to the Public Resources Code,
3 to read:

4 75041.2. Planning and feasibility studies financed pursuant to
5 Section 75041 shall include an analysis of energy and greenhouse
6 gas emission impacts related to proposed projects and system
7 redesign alternatives.

8 ~~SEC. 10.~~

9 *SEC. 9.* Section 75051.2 is added to the Public Resources Code,
10 to read:

11 75051.2. (a) Funds made available by subdivision (a) of
12 Section 75050 for Bay-Delta fishery restoration projects shall be
13 expended for the state share of the California Bay-Delta ecosystem
14 restoration program or any successor program approved by the
15 Department of Fish and Game to protect and conserve Bay-Delta
16 ecosystem resources.

17 (b) Funds made available by subdivision (n) of Section 75050
18 for restoration of the San Joaquin River shall be expended
19 consistent with the terms of the settlement agreement in National
20 Resources Defense Council v. Rodgers, Case No.
21 Civ-S-88-1658-LKK/GGH, filed with the United States District
22 Court on September 13, 2006, to ensure timely implementation of
23 the settlement agreement, including the settlement agreement's
24 provisions for a technical advisory committee and a restoration
25 administrator.

26 ~~SEC. 11.~~

27 *SEC. 10.* Section 75070.7 is added to the Public Resources
28 Code, to read:

29 75070.7. For the purposes of Section 75070.5, "costs" refers
30 to costs that are directly attributable to the expenditure of funds
31 made available by this division.